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FIRE PROTECTION DISTRICT NO 1 OF GRANT PARISH

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/10/09

TABLE OF CONTENTS

	<u>PAGE</u>
ACCOUNTANT'S REPORT	1
REQUIRED SUPPLEMENTAL INFORMATION (PART 1)	
Management's Discussion and Analysis	2
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets	5
Statement of Activities	6
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet	7
Statement of Revenues, Expenditures and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.	9
NOTES TO FINANCIAL STATEMENTS	10
REQUIRED SUPPLEMENTAL INFORMATION (PART 11)	
Budgetary Comparison-General Fund	16
OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Accountant's Report On Applying Agreed-Upon Procedures	17
MANAGEMENT'S CORRECTIVE ACTION PLAN	20
SCHEDULE OF PRIOR YEAR FINDINGS	21
LOUISIANA ATTESTATION QUESTIONNAIRE	22

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Independent Accountant's Report

To the Board of Directors
Fire Protection District No. 1
of Grant Parish

I have reviewed the accompanying basic financial statements of the governmental activities and each major fund of Fire Protection District No. 1 of Grant Parish, as of and for the year ended December 31, 2007, as listed in the table of contents, in accordance with U.S. Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Fire District.

A review consists principally of inquires of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic financial statements in order to conform with generally accepted accounting principles. The Management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information, without audit or review. Accordingly, I do not express any opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated February 28, 2009, on the results of our agreed-upon procedures.



Paul Dauzat
Certified Public Accountant
February 28, 2009

Fire Protection District No. 1 of Grant Parish

Management's Discussion And Analysis

December 31, 2007

This section of the annual financial report presents our discussion and analysis of the Fire District's financial performance during the fiscal year ended December 31, 2007, with comparable information for the previous year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of the Fire District's liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants, fines and various fees.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Fire District's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE FIRE DISTRICT AS A WHOLE

An analysis of the government-wide Statement of Net Assets is presented as follows:

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
<u>Assets:</u>		
Current and Other Assets	\$ 271,816	\$ 213,711
Capital assets, net	867,471	921,244
Total Assets	1,139,287	1,134,955
<u>Liabilities:</u>		
Current and Other Liabilities	38,243	33,096
Long-term Liabilities	420,000	440,000
Total Liabilities	458,243	473,096

Fire Protection District No. 1 of Grant Parish

Management's Discussion And Analysis

December 31, 2007

	December 31, 2007	December 31, 2006
<u>Net Assets:</u>		
Invested in Capital Assets, net	427,471	461,244
Restricted	69,123	61,047
Unrestricted	184,450	139,568
Total Net Assets	\$ 681,044	\$ 661,859

As the presentation appearing above demonstrates, the largest portion of the Fire District's net assets (62.8%) is invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment, less any debts used to acquire the assets that remain outstanding. The Fire District uses these capital assets to provide fire protection and other services to local residents; consequently, these amounts are not available for future spending.

An additional portion of the net assets (10.1%) represent resources that are subject to restrictions that are imposed by agreements with the Fire District's bondholders or taxpayers. The remaining net assets (27.1%) are unrestricted and may be used to meet the Fire District's ongoing obligations.

An analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended	
	December 31, 2007	December 31, 2006
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 35,510	\$ 37,096
Operating Grants and Contributions	----	----
Capital Grants and Contributions	----	----
General Revenue:		
Property Taxes	204,080	187,627
Revenue Sharing	7,918	7,071
Other	----	----
Total Revenue	247,508	231,794
<u>Program Expenses:</u>		
Fire Protection	181,704	149,206
Building Operations	27,338	33,086
Interest on Long-Term Debt	19,281	19,516
Total Program Expenses	228,323	201,808
 Change in Net Assets	 19,185	 29,986
Net Assets Beginning	661,859	631,873
 Net Assets Ending	 \$ 681,044	 \$ 661,859

As the accompanying presentation demonstrates, the Fire District's operations have increased net assets by 2.9%.

Fire Protection District No. 1 of Grant Parish

Management's Discussion And Analysis **December 31, 2007**

FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S FUNDS

For the year ended December 31, 2007, fund balances increased by \$52,921. The primary differences are due to depreciation and repayment of debt principal.

BUDGET HIGHLIGHTS

State law requires the general fund to have a budget. For the year ended December 31, 2007, the original budget was not amended.

CAPITAL ASSET ADMINISTRATION

For the year ended December, 31, 2007, capital assets activity was limited to depreciation of existing assets. No capital assets were acquired during the current year.

DEBT ADMINISTRATION

For the year ended December 31, 2007, debt activity was limited to repaying existing obligations as required by the terms of agreements with the debt holders.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

Fire Protection District No. 1 of Grant Parish

Statement of Net Assets

December 31, 2007

	Governmental Activities
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 67,799
Receivables (net)	204,017
Capital Assets - Land	12,000
Capital Assets - Depreciable	<u>855,471</u>
Total Assets	<u>1,139,287</u>
<u>LIABILITIES</u>	
Accounts Payable	15,119
Accrued Interest Payable	3,124
Long-term Debt	
Due Within One Year	20,000
Due in More than One Year	<u>420,000</u>
Total Liabilities	<u>458,243</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	427,471
Restricted for:	
Debt Service	69,123
Unrestricted	<u>184,450</u>
Total Net Assets (deficit)	<u>\$ 681,044</u>

The accompanying notes are an integral part of this statement.
See accountants' report.

Fire Protection District No. 1 of Grant Parish

Statement of Activities

For the Year Ended December 31, 2007

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Governmental Activities</u>					
Fire Protection	\$ 181,704	\$ 14,063	\$ -	\$ -	\$ (167,641)
Building Operations	27,338	21,447	-	-	(5,891)
Interest on Long-Term Debt	19,281	-	-	-	(19,281)
Total Governmental Activities	228,323	35,510	-	-	(192,813)
<u>General Revenues:</u>					
Property Taxes					204,080
State Revenue Sharing					7,918
Total General Revenues					211,998
Change in Net Assets					19,185
Net Assets - Beginning					661,859
Net Assets - Ending					\$ 681,044

The accompanying note are an integral part of this statement.
See accountants' report.

Fire Protection District No. 1 of Grant Parish

Balance Sheet - Governmental Funds

December 31, 2007

	General	Debt Service	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 53,966	\$ 13,833	\$ 67,799
Receivables	158,477	45,540	204,017
Interfund Receivables	-	9,750	9,750
Total assets	\$ 212,443	\$ 69,123	\$ 281,566
Liabilities and Fund Balance			
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	\$ 15,119	\$ -	\$ 15,119
Interfund Payables	9,750	-	9,750
Total liabilities	24,869	-	24,869
<u>Fund Balance</u>			
Unreserved	187,574	69,123	256,697
Total Fund Balances	187,574	69,123	256,697
Total Liabilities and Fund Balance	\$ 212,443	\$ 69,123	\$ 281,566

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Assets

Total Fund Balances - Governmental Funds	\$ 256,697
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities and related accrued interest are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(443,124)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	867,471
Net Assets of Governmental Activities	<u>\$ 681,044</u>

The accompanying notes are an integral part of this statement.
See accountants' report.

Fire Protection District No. 1 of Grant Parish**Statement of Revenue, Expenditures and Changes in
Fund Balance - Governmental Funds
For the Year Ended December 31, 2007**

	General	Debt Service	Total Governmental Funds
<u>Revenues:</u>			
Ad Valorem Taxes	\$ 156,686	\$ 47,394	\$ 204,080
State Revenue Sharing	7,918	-	7,918
Fire Insurance Rebates	14,063	-	14,063
Other	21,447	-	21,447
Total revenues	200,114	47,394	247,508
<u>Expenditures:</u>			
Current			
Public Safety - Fire Protection			
Insurance	16,898	-	16,898
Miscellaneous	17,229	-	17,229
Payroll and Related Benefits	4,361	-	4,361
Repairs and Maintenance	33,482	-	33,482
Supplies	25,066	-	25,066
Utilities	14,139	-	14,139
Vehicle Expenses	23,160	-	23,160
Building Operations	20,934	-	20,934
Capital Expenditures	-	-	-
Debt Service	-	39,318	39,318
Total expenditures	155,269	39,318	194,587
Excess (Deficiency) of Revenues Over Expenditures	44,845	8,076	52,921
Fund Balance - Beginning of Year	142,729	61,047	203,776
Fund Balance - End of Year	\$ 187,574	\$ 69,123	\$ 256,697

The accompanying notes are an integral part of this statement.

See accountants' report.

Fire Protection District No. 1 of Grant Parish

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007**

Net change in fund balances of Governmental Funds	\$ 52,921
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	20,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	37
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	(53,773)
Change in net assets of governmental activities	<u>\$ 19,185</u>

The accompanying notes are an integral part of this statement.
See accountants' report.

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 1 of Grant Parish (the Fire District) was created to provide fire protection for portions of Grant Parish. It is governed by a Board consisting of five members and the majority of the members are appointed by the Grant Parish Police Jury. The Fire District is a component unit of the Grant Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Fire District is a component unit of the Grant Parish Police Jury. The accompanying component unit financial statements present information only on the funds maintained by Fire Protection District No. 1 and do not present information on the police jury, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Fire District's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Fire District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Fire District as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include any charges for services and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Fire District's major funds are described as follows:

- General Fund – This fund is the primary operating fund of the Fire District is used to account for all resources, except those required to be accounted for in other funds.
- Debt Service – This funds is used to account for proceeds from a special tax dedicated to paying principal and interest on general obligation bonds.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

Financial Statement Presentation
Government-Wide Financial Statements
Fund Financial Statements

Basis of Accounting
Accrual Basis
Modified Accrual Basis

Measurement Focus
Economic Resources
Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

Under the modified accrual basis of account and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Practices

Budgets of the General Fund are prepared on the modified accrual basis of accounting. Unexpended appropriations of this fund lapse at the end of each fiscal year. Budgets of the General Fund and all changes and amendments to these budgets are approved by the Board of Commissioners as a whole.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

Cash

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Internal Balances

Internal balances arise from transactions between funds. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded. Internal balance are eliminated in preparing government-wide financial statements.

NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2007, deposits were fully secured by FDIC insurance coverage.

NOTE 3 - RECEIVABLES

At December 31, 2007, receivables were limited to ad valorem taxes and related revenue sharing collected by other governmental units on behalf of the Fire District. These amounts are considered fully collectible and there is no allowance for doubtful accounts.

NOTE 4 - CAPITAL ASSETS

A summary of the Fire District's capital assets is provided as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Non Depreciable Capital Assets</u>				
Land	\$ 12,000	\$ ---	\$ ---	\$ 12,000
<u>Depreciable Capital Assets</u>				
Equipment	557,819	---	---	557,819
Buildings and Improvements	828,177	---	---	828,177
Accumulated Depreciation	(476,752)	(53,773)	---	(530,525)
Depreciable Capital Assets (Net)	909,244	(53,773)	---	855,471
Total Capital Assets	\$ 921,244	\$ (53,773)	---	\$ 867,471

For the year ended December 31, 2007, depreciation expense totaled \$53,773. This total included \$47,369 reported as fire protection and \$6,404 reported as building operations.

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

Details related to interfund balances are presented as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	General	\$ 9,750	The general fund has collected certain taxes on behalf of the debt service fund resulting in the interfund balances.

NOTE 6 - RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

The Fire District insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 7 – LONG-TERM DEBT

Long-term debt outstanding at year end is described as follows:

General Obligation Bonds	\$ 440,000
Due Within One Year	20,000
<hr/>	
Due in More Than One Year	\$ 420,000

Long-term debt activity for the year ended December 31, 2007, is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Obligation Bonds	\$ 460,000	\$ ---	\$ 20,000	\$ 440,000

General obligation bonds outstanding at year end consist entirely of Series 2003, issued in the original amount of \$500,000 due in annual installments ranging from \$10,000 to \$40,000 plus interest computed at a rates ranging from 0.1% to 4.9% depending on maturity dates. Installments are payable from the proceeds on a special ad valorem tax with the final installment due March 1, 2023.

These bonds are scheduled to mature as follows:

<u>Year Ended June 30th</u>	<u>Principle</u>	<u>Interest</u>
2008	\$ 20,000	\$ 18,492
2009	20,000	17,943
2010	20,000	17,292
2011	20,000	16,548
2012	25,000	15,565
2013 – 2017	130,000	61,160
2018 – 2022	165,000	29,899
2023 – 2027	40,000	980
<hr/>		
Total	\$ 440,000	\$ 177,879

Fire Protection District No. 1 of Grant Parish

Notes to the Financial Statements

December 31, 2007

NOTE 8 – PROPERTY TAXES

Property taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from property taxes are recognized as revenue in the year billed. Assessments for the year ended December 31, 2007, are presented as follows:

	<u>Mills</u>
Operations and Maintenance	16.53
Debt Service	<u>5.00</u>
Total Millage	<u>21.53</u>

Fire Protection District No. 1 of Grant Parish**Statement of Revenue, Expenditures and Changes in
Fund Balance - General Fund Budget and Actual
For the Year Ended December 31, 2007**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues:</u>				
Ad Valorem Taxes	\$ 135,000	\$ 135,000	\$ 156,686	\$ 21,686
State Revenue Sharing	6,000	6,000	7,918	1,918
Fire Insurance Rebates	9,000	9,000	14,063	5,063
Other	-	-	21,447	21,447
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>200,114</u>	<u>50,114</u>
<u>Expenditures:</u>				
Current				
Public Safety - Fire Protection	142,000	142,000	134,335	7,665
Building Operations	5,000	5,000	20,934	(15,934)
Capital Expenditures	25,000	25,000	-	25,000
Debt Service	36,000	36,000	-	36,000
Total expenditures	<u>208,000</u>	<u>208,000</u>	<u>155,269</u>	<u>52,731</u>
Net Change in Fund Balances	<u>(58,000)</u>	<u>(58,000)</u>	<u>44,845</u>	<u>102,845</u>
Fund balance - beginning of year	<u>142,729</u>	<u>142,729</u>	<u>142,729</u>	<u>-</u>
Fund balance - end of year	<u>\$ 84,729</u>	<u>\$ 84,729</u>	<u>\$ 187,574</u>	<u>\$ 102,845</u>

See accountants' report.

Paul Dauzat, CPA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Fire Protection District No. 1
of Grant Parish

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire District's compliance with certain laws and regulations during the year ended December 31, 2007, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose>

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$ 20,000, or public works exceeding \$ 100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no transactions meeting this scope of bid law.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

Management provided me with the required list including the information noted.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the list.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the reports provided by management in procedure (2).

BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget with no amendments.

6. Trace the budget adoption and amendments to the minute book.

Finding 2007-1

Minutes of meetings were not provided.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

Variances for revenues and expenditures that exceeded budgeted amounts by more than 5% were favorable.

ACCOUNTING AND REPORTING

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly recorded to the correct fund and general ledger account.

All payments selected were properly recorded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of the documentation for items selected indicated that the checks were signed by the proper official. No further approval was required.

Finding 2007-2

The review report was not filed with the La. Legislative Auditor by June 30, 2008.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, I have no evidence supporting such assertion.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected deposits for the period and noted no deposits that appeared to be such proceeds.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I inspected the records for the year and noted no instances that indicated payments to employees which would constitute bonuses, advances, or gifts.

I was engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported.

This report is intended solely for the use of management of Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Paul Dauzat
Certified Public Accountant
February 28, 2009

FIRE PROTECTION DISTRICT NO. 1 OF GRANT PARISH

MANAGEMENTS CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2007

SECTION 1-Review Report

No findings

SECTION 2-Attestation Report

Finding 2007-1 (repeat finding)

Minutes of meetings were not provided.

Response

We will make an assertive effort to record meeting minutes in a record book.

Finding 2007-2 (repeat finding)

The review report was not filed with the Louisiana State Legislative Auditor by June 30, 2008.

Response

We will have our review report completed and filed with the La. Legislative Auditor in a timely manner.

FIRE PROTECTION DISTRICT NO. 1
SCHEDULE OF PRIOR YEAR FINDINGS
For The Year Ended December 31, 2007

DESCRIPTION		STATUS
SECTION 11- AUDIT REPORT		
Finding 2006-1	Numerous Adjustments at Year End	Resolved
Finding 2006-2	Inadequate Accounting Records	Resolved
SECTION 11- ATTESTATION REPORT		
Finding 2006-3	State Audit Law	Repeat Finding
Finding 2006-4	Laws Affecting Budgeting	Resolved
Finding 2006-5	Accounting and Financial Reporting Laws	Repeat Finding
Finding 2006-6	Failure to Remit Payroll Taxes and Timely Filing	Resolved

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ (Date Transmitted)

**Paul Dauzat, CPA
1220 Windsor Place
Alexandria, Louisiana 71303**

In connection with your review of our financial statements as of **December 31, 2007** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the dates appearing below.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☐ No ☒

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No [X]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.
Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Willie McKinney Jr.</u>	Secretary	<u>2-15-09</u>	Date
<u>Willie McKinney Jr.</u>	Treasurer	<u>2-15-09</u>	Date
<u>Samuel R. Helene</u>	President	<u>2-15-09</u>	Date